

SENATE FISCAL AGENCY MEMORANDUM

DATE: February 7, 2007

TO: Members of the Senate

FROM: Gary S. Olson, Director

RE: Fiscal Year 2005-06 Supplemental Appropriation Bill - Senate Bill 166 (S-1)

The Senate Appropriations Committee adopted Senate Bill 166 (S-1) on February 7, 2007. This bill makes supplemental appropriations for fiscal year (FY) 2005-06. The line-item appropriations contained in the bill are based on recommendations from the Office of the State Budget (OSB) transmitted to the Legislature on August 17, 2006, October 10, 2006, November 27, 2006, December 7, 2006, and January 29, 2007. The primary purpose of the FY 2005-06 supplemental appropriations bill is to make final adjustments in enacted appropriations to reconcile final appropriations with actual expenditures recorded in the fiscal year. Senate Bill 166 (S-1) provides for \$58.4 million of Gross appropriations and \$49.7 million of General Fund/General Purpose (GF/GP) appropriations. Table 1 (attached) provides a summary of the line-item appropriations in Senate Bill 166 (S-1).

Line-Item Appropriations

The following information summarizes the line-item appropriations in Senate Bill 166 (S-1):

Department of Corrections: The bill provides for \$15.4 million of Gross and GF/GP appropriations to cover appropriation overexpenditures that occurred in the Department at the close of the fiscal year. The Senate substitute includes \$1.7 million of Gross and GF/GP appropriations not recommended by the OSB. These additional appropriations are a result of not concurring with the OSB recommendation to bond, through the State Building Authority, for a portion of departmental overexpenditures in information technology accounts. The passage of these supplemental appropriations will provide the authorization for the Department to pay vendors for services already rendered to the State.

Department of Environmental Quality: The bill provides for a \$300,000 fund shift in State Restricted revenue to accurately record the revenue in the proper appropriation account.

Department of Human Services: The bill provides for \$30.7 million of Gross and GF/GP appropriations to cover appropriation overexpenditures that occurred in the Department at the close of the fiscal year. The passage of these supplemental appropriations will provide authorization for the Department to pay vendors for services already rendered by the State.

Michigan Strategic Fund Agency: The bill provides for \$8.0 million of Gross appropriations, financed with Federal funds, for the community development block grant program. The passage of this supplemental appropriation provides for the authorization of these funds which have already been expended.

Department of Military and Veterans Affairs: The bill provides for \$0.7 million of Gross appropriations, financed with Federal funds, for the Grand Rapids Veterans Home. The passage of this supplemental provides for the authorization of these funds which have already been expended.

Department of State Police: The bill provides for \$3.6 million of Gross and GF/GP appropriations to cover overexpenditures that occurred in the Department at the close of the fiscal year. The Senate substitute includes \$0.3 million of Gross and GF/GP appropriations not recommended by the OSB. These additional appropriations are a result of not concurring with the OSB recommendation to bond, through the State Building Authority, for a portion of departmental overexpenditures in information technology accounts. The passage of these supplemental appropriations will provide the authorization for the Department to pay vendors for services already rendered to the State.

Boilerplate Language

Senate Bill 166 (S-1) contains the following boilerplate language sections:

Sec. 201. General language identifying any payments to local units of government in the bill.

Sec. 202. General language that subjects the appropriations made in the bill to the Management and Budget Act (Public Act 431 of 1984).

Sec. 301. Capital Outlay language that authorizes the expenditure of lapsed funds appropriated for special maintenance projects in the Departments of Community Health, Corrections, Human Services, Management and Budget, Military Affairs, and State Police be expended for special maintenance projects in the Department of Corrections for the fiscal year ending September 30, 2006. This language implements a budget target agreement.

Sec. 501 (1). Repeals Section 501 of Public Act 158 of 2005, the FY 2005-06 Department of Transportation appropriation bill. This repeal allows the Department of State Police to carry forward unspent motor carrier fees to address a one-time revenue shortfall in FY 2006-07.

Sec. 501 (2). Repeals Section 502 of Public Act 341 of 2006, the FY 2006-07 Community College appropriation bill. This repeal eliminates a requirement for audits on community college data that is no longer used to distribute community college funding.

Enacting Section 1. This enacting section tie bars Senate Bill 166 (S-1) to Senate Bill 184 that amends two sections of the Management and Budget Act dealing with appropriation overexpenditures.

/kjh

c: Ellen Jeffries, Deputy Director

Table 1

**FY 2005-06 Supplemental Summary
Senate Bill 166 (S-1)**

Department/Program	Gross Appropriation	GF/GP Appropriation
Corrections		
Shift \$4.0 million from Prisoner Reintegration.....	\$(4,000,000)	\$(4,000,000)
Policy and Strategic Planning	182,200	182,200
Lapses (administration, field operations, community corrections, consent decrees).....	(247,600)	(247,600)
Prisoner Health Care.....	17,359,500	17,359,500
Lapses (SE and SW Correctional Facilities)	(42,100)	(42,100)
Information Technology (adjusted for no bonding)	<u>2,195,800</u>	<u>2,195,800</u>
Subtotal	\$15,447,800	\$15,447,800
Environmental Quality		
Field Permitting Fund Source Shift (\$300,000 restricted)	<u>\$0</u>	<u>\$0</u>
Subtotal	\$0	\$0
Human Services		
Foster care Payments Fund Source	\$0	\$0
Wayne County Foster Care Fund Source	0	0
Executive Operations Lapses	(624,900)	(624,900)
Child Support Enforcement Lapses	(916,600)	(916,600)
Adult/Family Services Lapses	(1,586,400)	(1,586,400)
Child/Family Services Lapses	(1,187,300)	(1,187,300)
Juvenile Justice Lapses	(478,200)	(478,200)
Local Office Staff/Operations Lapses	(1,267,500)	(1,267,500)
Disability Determination Lapses.....	(165,700)	(165,700)
Central Support Lapses	(711,700)	(711,700)
Children/Adult Licensing Lapses.....	(260,200)	(260,200)
Information Technology Lapses.....	(4,959,400)	(4,959,400)
Public Assistance Lapses	(43,000)	(43,000)
Family Independence Program Overexpenditure	<u>42,906,400</u>	<u>42,906,400</u>
Subtotal	\$30,705,500	\$30,705,500
Michigan Strategic Fund		
Community Development Block Grant (Federal funds)	<u>\$8,000,000</u>	<u>\$0</u>
Subtotal	\$8,000,000	\$0
Military and Veterans Affairs		
Grand Rapids Veterans' Home (Federal funds).....	<u>\$700,000</u>	<u>\$0</u>
Subtotal	\$700,000	\$0
State Police		
Fleet Leasing.....	\$1,651,300	\$1,651,300
Human Resources Optimization	(4,400)	(4,400)
Emergency Management	30,000	30,000
Information Technology (adjusted for no bonding)	<u>1,908,400</u>	<u>1,908,400</u>
Subtotal	\$3,585,300	\$3,585,300
Total.....	\$58,438,600	\$49,738,600